

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: Department of Natural Resources
Division Title: Clean Water Commission
Chapter Title: Permits**

Rule Number and Title:	10 CSR 20-6.300, Concentrated Animal Feeding Operations
Type of Rulemaking:	Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
<i>Department of Natural Resources</i>	Net loss of revenue of \$18,837.48

III. WORKSHEET

Lost revenue to the department.

Reduced number of construction permits.

\$1000 application fee X 48 applications/year = \$48,000.00

No Class II operating permits.

3 applications/year X \$150 annual fee = \$450.00

Cost savings to the department.

No construction permit reviews by department staff.

20 hours/application \$35.01/hourly wage for EEII @ 48 applications/year = \$33,606.08

No as-built or Statement of Work Completed review by department staff.

2 hour/application \$35.01/hourly wage for EEII @ 48 applications/year = \$3,360.65

Cost increases to the department.

Increased time spent on operating permit review.

5 hours/application \$30.64/hourly wage for ESIII X 48 applications =

TOTAL LOST REVENUE	\$48,450.00
TOTAL COST INCREASES	\$7,354.61
TOTAL COST SAVINGS	\$36,967.13
NET LOSS TO THE DEPARTMENT	\$18,837.48

IV. ASSUMPTIONS

1. An annualized aggregate cost of this rulemaking is used for the purposes of providing the aggregate cost for the life of the rule. The annualized aggregate cost is the agency estimate of the average costs that will be incurred in any future year, no matter how far distant. For convenience of calculating this fiscal note over a reasonable time period, the life of the rule is assumed to be indefinite. If the life of the rule extends beyond 1 year, the annual costs for additional years will be consistent with the assumptions used to calculate annual costs as identified in this fiscal note.
2. It is difficult to estimate the cost for the department to comply with this rulemaking as it is impossible to predict how many applications will be received in a year. Therefore, the number of applications is based on recent applications. The estimated average cost was determined on a per application basis. Operating permit applications for minor modifications such as facility name change and ownership transfer are not included in this estimate as these requirements have not changed.
3. The reduction of construction permit applications and the elimination of voluntary operating permit applications will result in a loss of revenue to the department. Construction and operating permit fees are based on the fee structure effective January 1, 2015.
4. Construction permit and as-builts or a Statement of Work Completed is no longer required for CAFOs that are not constructing an earthen storage basin. The reduction of construction permit applications will reduce the amount of time spent by engineering staff for review of applications. The hourly rate for an Environmental Engineer II (EEII) is based on the Office of Administration, Division of Personnel pay grid.
5. Some supporting documentation is now required with an operating permit application that was required with a construction permit. Fewer supporting documents are required and no new requirements were added. The amount of time for review on operating permits for operating permit staff will increase, but the amount of time for reviewing construction permits for engineering staff has decreased. This has resulted in an overall decrease in the amount of review time in the permitting process. The amount of time support staff spends issuing the permit has not changed. The hourly rate for an Environmental Specialist III (ESIII) is based on the Office of Administration, Division of Personnel pay grid.
6. This fiscal note accounts for costs associated with the review of construction permit applications by engineering staff and operating permit applications by permit writer staff as these permit requirements were in this regulation. Any costs associated with engineering staff to comply with the 10 CSR 20-8.300 Manure Storage Design Regulations revision, which is being conducted concurrently, is accounted for in the fiscal note for that regulation.